



NOMURA  
Residential Fund

For Translation Purposes Only

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**For Immediate Release**

Nomura Real Estate Residential Fund, Inc.  
Masatomi Natsume, Executive Director  
(Securities Code: 3240)

Asset Management Company:  
Nomura Real Estate Asset Management Co., Ltd.  
Yasuaki Fukui, President and Chief Executive Officer  
Inquiries: Masatomi Natsume, NRF Chief Investment Officer  
TEL: +81-3-3365-7729  
EMAIL: nrf3240@nomura-re.co.jp

**Notice Concerning Interest Rate Swap Agreement**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the signing of interest rate swap agreements regarding the 3-years 4-months floating rate ¥1,800 million term loan (the “3-years 4-months Loan”) and the 6-years 10-months floating rate ¥4,700 million term loan (the “6-years 10-months Loan”), as mentioned below.

1. Reasons for Signing the Interest Rate Swap Agreement

By fixing the interest rate of the Loan until the date of repayment, the Fund will hedge risks arising from fluctuations in interest rates.

2. Details of Interest Rate Swap Agreement

(1) Agreement for Interest on Debt Financing of ¥1,800 million (the “3-years 4-months Loan”)

- |                              |   |   |
|------------------------------|---|---|
| 1. Counterparty              | : | Mitsubishi UFJ Trust and Banking Corporation  |
| 2. Notional Principal Amount | : | ¥1,800 million  |
| 3. Interest Rate             | : | Fixed Payment 0.29000% p.a.<br>Variable Receipt JBA 3-months Japanese Yen TIBOR*  |
| 4. Commencement Date         | : | October 25, 2013 (Same day as the “Date of Loan” of the 3-year 4-months)  |
| 5. Termination Date          | : | February 26, 2017 (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month) (the same date as the “Date of Repayment” of the 3-years 4-months)   |
| 6. Interest Payment Date     | : | November 26, 2013 for the first payment, every 26th of February, May, August, and November thereafter until November 2016, and the termination date (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month) for both the fixed payment and variable receipt. |

(Note) Due to the swap agreement, the interest rate will be fixed at 0.69000% until the repayment of the Loan.

(2) Agreement for Interest on Debt Financing of ¥4,700 million (the “6-years 10-months Loan”)

1. Counterparty : Aozora Bank, Ltd.
2. Notional Principal Amount : ¥4,700 million
3. Interest Rate : Fixed Payment 0.53000% p.a.  
Variable Receipt JBA 3-months Japanese Yen TIBOR\*
4. Commencement Date : October 25, 2013 (Same day as the “Date of Loan” of the 6-years 10-months)
5. Termination Date : August 26, 2020 (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month) (the same date as the “Date of Repayment” of the 6-years 10-months)
6. Interest Payment Date : November 26, 2013 for the first payment, every 26th of February, May, August, and November thereafter until May 2020, and the termination date (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month) for both the fixed payment and variable receipt.

(Note) Due to the swap agreement, the interest rate will be fixed at 1.18000% until the repayment of the Loan.

\*Refer to Japanese Bankers Association website (<http://www.zenginkyo.or.jp/en/tibor/>) regarding the JBA Japanese Yen TIBOR.